



**EXECUTIVE CHAMBERS  
HONOLULU**

**LINDA LINGLE**  
GOVERNOR

**LINGLE-AIONA ADMINISTRATIVE HIGHLIGHTS**  
**First Two Years**

When Governor Linda Lingle and Lt. Governor James R. "Duke" Aiona, Jr., took office on December 2, 2002, they laid out three priorities their Administration would focus on during its first term:

- Restoring trust and integrity in government;
- Expanding and diversifying the economy;
- Improving public education.

Within the first year, the administration made progress in these areas and also identified additional top priorities, which include:

- Battling crime and illicit drugs;
- Protecting the state's fragile and unique environment;
- Improving health care for all residents of Hawai'i.

The Administration has also focused statewide attention on other key issues, such as:

- Addressing the affordable housing shortage and homelessness;
- Fulfilling commitments to Native Hawaiians;
- Enhancing homeland security;
- Helping Hawai'i's most needy.

The following are 25 of the top accomplishments of the Lingle-Aiona Administration during the first half of its first term.

Many more opportunities lie ahead in the next two years, and the Administration looks forward to continuing to work with the community, private and non-profit sectors, Legislature and counties to improve the quality of life for all the people of Hawai'i.

## **TOP 25 ACCOMPLISHMENTS**

- **Opened Government, Restored Trust.**

- Revised the “non-bid” selection process to break the bond between non-bid contracts and campaign donations.
- Opened the judicial selection process by making nominees’ names available to the public for comment before final selection.
- Created Neighbor Island Advisory Committees to give the neighbor islands a stronger voice in state government.

- **Improving the Business Climate, Reducing Costs.**

- Decreased the cost of doing business in Hawai‘i through legislation and administrative changes, including cutting fees and assessments. The total amount of this reduction is more than \$5 million over the current biennium.
- Made it more convenient to do business in Hawai‘i by expanding online services, including implementation of Hawai‘i Business Express, a one-stop, Web-based business information service. This new resource saves businesses, especially those on the neighbor islands or out-of-state, time, effort and money by enabling them to register their new business with the appropriate government agencies through one online transaction, without having to stand in line or mail in paperwork.
- Worked to increase the availability and reduce the cost of insurance, benefiting businesses, employees and customers. Administration bills passed by the Legislature:
  - Allow members of trade associations to negotiate rates for health insurance.
  - Offer Health Savings Accounts in Hawai‘i.
  - Reduce frivolous medical malpractice claims.
  - Allow residential contractors the right to repair alleged defects before litigation is filed.
- Expanded the economy:
  - 28,500 new jobs added since December 2002.
  - Unemployment has remained consistently below the national average. For five consecutive months this year (May-September), Hawai‘i had the lowest unemployment in the nation.
  - The number of people holding more than one job decreased from 57,928 (9.8 percent of the employed population) in 2001 to 44,977 (7.6 percent of the employed population) in 2003.
  - Personal income growth expected to increase 2.5 percent in 2004, and 2.6 percent in 2005.
  - Visitor arrivals in 2004 expected to match or exceed the record 6.95 million (2000). DBEDT is forecasting 7.14 million visitors in 2005.
  - Real gross state product expected to exceed 2.6 percent in 2004.
  - Record low bankruptcies.

- **Ensuring financial discipline and accountability.** To ensure the state lives within its means, the Administration is adhering to a six-year financial plan where recurring expenses are matched by recurring revenues. This includes maintaining oversight of program expenditures through thorough program review and spending restrictions. Through proper financial planning, the Administration has prevented the raiding of the Hurricane Relief Fund, as well as maintained adequate reserves in the Emergency and Budget Reserve Fund to keep these rainy day funds for true emergencies.
- **Obtained an Upgrade on the State's Outlook.** In October 2004, the state sold \$225 million of general obligation bonds to fund various capital improvement projects. The bonds were sold at an interest rate of 4.11 percent, the lowest interest rate offered in over 30 years. In connection with the bond issue, Moody's Investor Service improved the outlook on the State's Aa3 rating to positive from stable. Moody's stated, "The positive outlook for Hawai'i's credit rating reflects the state's strong management of its finances given the volatility of its tourism-based economy."
- **Increased Collection of Delinquent Taxes.** For FY03, the Department of Taxation collected \$145 million, a 28 percent increase over the prior year, and the highest amount ever collected. For FY04, DOTAX collected \$156 million. The increased general fund revenue is enabling the state to provide more and better services to the public.
- **Improving Public Education.** Made improving Hawai'i's public education system a statewide priority among legislators, educators and the community. Focused on allocating education funds through a weighted student formula and directing education dollars to the schools to give principals and teachers the resources they need, as opposed to having all the money controlled by the centralized DOE in Honolulu. The Administration's plan advocated for 90 cents of every education dollar to be directed to the schools. The Legislature adopted a weighted student formula and approved directing 70 cents of every dollar to the schools.
- **Addressing Long-Overdue Problem of Prison Overcrowding, Inadequate Facilities.** Began pre-construction activities for the repair and replacement of various community correctional facilities throughout the state.
- **Protecting Victims of Crime.** Introduced and/or supported four amendments to the state constitution that help victims of crime. Worked with county prosecutors, police and advocates for women, children and crime victims to conduct public education and outreach. Hawai'i voters approved all four amendments in the November 2 General Election.
- **Ensuring Homeland Security.** In 2003-2004, the state received \$50 million for homeland security, compared to just \$1.5 million the previous year. The majority of the funds go directly to the counties for first responders and civil defense.
  - In November 2003, Hawai'i held the inaugural Asia-Pacific Homeland Security Summit and Exposition to form regional partnerships in responding to the threat of terrorism. The second conference was held in November 2004, attracting more than 650 participants from more than 40 nations and more than 24 U.S. states and territories.

- **Hawai'i Drug Control Strategy.** Established an integrated, statewide approach to illegal drug use and underage drinking, including the appointment of a drug control liaison to coordinate and implement the Hawai'i Drug Control Strategy. Budgeted over \$23 million in the FY04 budget for substance abuse prevention and treatment programs. Secured \$3.6 million in federal funds to provide coordinated and integrated treatment services to persons with co-occurring substance abuse and mental health disorders; and \$900,000 to help prevent and treat the abuse of crystal methamphetamine ("ice") on the Big Island. Implemented a statewide prevention education campaign and began various substance abuse education programs in schools.
- **Protecting Hawai'i's Environment.** The Attorney General's office and the Department of Health have partnered with the Environmental Protection Agency, Region 9, to establish a new environmental crimes unit housed in the Attorney General's office. The unit investigates and prosecutes environmental crimes that pose substantial risks to public health and the environment.
- **Fighting Invasive Species.** Led a cooperative effort by the military, county, private sector and community to remove salvinia molesta, a non-native weed, from Lake Wilson, thus preventing a major ecological disaster. This served as a catalyst for discussions and action about the negative impact of invasive species on Hawai'i's environment. As part of this effort, the Hawai'i Invasive Species Council was formed and funded. The state is implementing the first of a multi-year program addressing invasive species prevention, response, control, applied technology and outreach. Budgeted \$3 million for invasive species control, the largest amount ever dedicated to this environmental effort.
- **Improving State Parks and Facilities.** Implementing the first of a multi-year plan to improve and repair the 69 long-neglected state parks and sites throughout the islands. Working with Hawai'i Tourism Authority and the counties to address this problem. These efforts include \$9 million to replace large-capacity cesspools to address an EPA mandate and \$5 million to make much-needed repairs to park facilities, including comfort stations. At the same time, the Administration is implementing a long-range plan to improve neglected and inadequate small boat harbors and other ocean recreational facilities statewide.
- **Promoting Renewable Energy and Energy Efficiency.**
  - Signed a law requiring utilities to generate 15 percent of their electricity using alternative fuels by 2015 and 20 percent by 2020, thus fulfilling one of the Governor's key campaign initiatives.
  - Implemented administrative rules requiring 85 percent of gasoline sold in Hawai'i to contain 10 percent ethanol by 2006. The law to require the blending was passed in 1994, but languished on the shelves for 10 years until the Administration drafted the rules and obtained public input.
  - Signed legislation to encourage on-island production of ethanol through tax credits and special purpose revenue bonds.
  - Signed legislation to provide 50 percent reduction on fuel taxes on alternative fuels such as biodiesel, methanol, and ethanol. The Administration proposed exempting alternative fuels from the state fuel taxes for five years.

- **Protecting The Environment and Public Health.** Budgeted \$18.1 million to improve the Waimanalo Wastewater Treatment Plant so it meets state and federal water quality standards. For a number of years, the plant has received unacceptable ratings from the Department of Health due to overcapacity and outdated wastewater treatment processes and effluent disposal system. As a result, there have been numerous wastewater spills and other problems. Completion of the improvements will protect the public health and safety of the Windward O`ahu community.
- **Helping Needy Women and Children.** Removed barriers that prevented needy customers from gaining access to quality health care. Took steps to cover more children and pregnant women through common sense solutions, such as simplifying a medical assistance application (the “pink form”) to make it more customer-friendly. In less than one year, this change has helped to enroll an additional 7,500 needy children into the state’s Medicaid health insurance, and 4,937 women now are receiving pre- and post-natal health care.
- **Expanded Choices for Medicaid Customers.**
  - Implemented a policy change so hospitalized Medicaid patients can transfer their benefits to home-based or community-based settings through the new “Going Home Project.” This saves taxpayers about \$70,000 per year per patient, or \$23 million annually, and frees up much-needed bed space in hospitals.
- **Focused Statewide Attention on Affordable Housing and Homelessness.**
  - Developed a six-year plan to address this problem that has been neglected for the past quarter century.
  - Brought together leaders from different sectors, including private developers, counties, state agencies, human service providers and financial institutions to develop collaborative strategies for coordinating development of affordable rental housing statewide.
  - Working with the private sector and counties to streamline and remove barriers to the permitting and approval process in order to accelerate development of affordable housing projects.
  - Identified state land for affordable rental housing development.
  - Conducting a three-year plan to repair neglected and deteriorating senior and family housing projects statewide. HCDCH is using \$52 million in federal funds to shore up and make other needed structural repairs at 13 aging housing projects.
- **Correcting Past Inefficiencies and Abuses.** Entered into an agreement with the U.S. Department of Housing and Urban Development (HUD) to improve management and operations of the Housing Development Corporation of Hawai`i (HCDCH). Appointed a new HCDCH board, and subsequently a new director, who are focusing on correcting past abuses and properly managing federal funds the agency receives to provide public and assisted-living housing for state residents.

- **Improving the Hawai'i State Hospital.** State health officials worked to correct deficiencies that have plagued the state mental hospital. The significant improvements made in the past few years resulted in a magistrate recommending that the federal government end its 13-year oversight of the hospital.
- **Protecting Hawai'i's Youth.** Working cooperatively with the ACLU to implement much-needed reform at the Hawai'i Youth Correctional Facility to address overcrowding and staffing issues. Reduced the youth population by 35 percent, allowing less serious offenders to be placed in alternative programs in their communities. Working with private and government partners to develop more community-based alternatives to incarceration. Permanently replaced the facility's administrator and a corrections specialist following an investigation by the ACLU of mismanagement and abuses.
- **Expanded Services to Youth-at-Risk.** Funded an estimated \$9.1 million worth of new youth and prevention services without using any state funds. The administration identified programs to include under the federal funding umbrella in the areas of teenage pregnancy prevention, substance abuse education and prevention, home-based intervention for youth-at-risk, and providing life skills to disadvantaged youth.
- **Improving Transportation.**
  - Commenced a successful Nimitz Highway contra-flow demonstration project from Sand Island to downtown during morning rush hour. Connected the contra-flow lane to the H-1 Zipper Lane, creating one continuous route from Waipahu into downtown. Based on timesavings of 15-20 minutes of drive time, the project is now considered permanent. Preliminary data from another demonstration project involving the H-1 Lunalilo on-ramp shows westbound drivers are saving about 10 minutes during their morning commute. Both projects had been discussed for years, without any prior action.
  - Working with the private sector and federal and county governments to begin preparations to accommodate the interisland Superferry.
- **Updated Quarantine Rules.** Rewrote and adopted administrative rules for animal quarantine that reduce the burden on pets and their owners, while still protecting the state from the introduction of rabies. Approximately 75 percent of all pets were released upon arrival at the airport under the new regulations.
- **Fulfilling Obligations to Native Hawaiians.**
  - Developed a five-year plan to distribute homestead lands to native Hawaiian beneficiaries. Identified priority projects, established a detailed implementation schedule and communicated with beneficiaries and the public about the planned projects for each island. Focusing on creating healthy communities, not just individual housing units.
  - Used an executive order and an appropriations bill to make back payments (\$11.2 million) and resume payments to the Office of Hawaiian Affairs for ceded land revenues that had been inappropriately withheld.
  - Transferred developable state lands on Maui, Hawai'i and O'ahu from the Department of Land and Natural Resources and the Housing and Community Development Corporation of Hawai'i to DHHL. This affords DHHL the opportunity to develop more than 1,000 new residential homesteads in the next five years.